

# THE TORONTO STOCK EXCHANGE

FILING STATEMENT NO. 1055.  
FILED, MARCH 19th. 1964.

## LONG POINT GAS & OIL LIMITED

Full corporate name of Company  
Incorporated under Part IV of the Corporations Act 1953  
(Ontario) by Letters Patent dated July 5, 1957.  
Particulars of incorporation (e.g., Incorporated under Part IV of the Corporations Act, 1953  
(Ontario) by Letters Patent dated May 1st, 1957).

### FILING STATEMENT

(To be filed with respect to any material change in a company's affairs, including among other things, an underwriting and option agreement, an issue of shares for property and a proposed re-organization.)

1. Brief statement of the material change in the affairs of the company in respect of which this statement is filed.	Sale of the Company's undertaking property & assets to Consolidated West Petroleum Limited, Port Alma, Ontario. (See Item 19)
2. Head office address and any other office address.	Head Office, Room 906, 357 Bay Street, Toronto. Field Office, Room 3, Woolworth Building, Simcoe, Ont.
3. Names, addresses and chief occupations for the past five years of present or proposed officers and directors.	President & Director M.A. Cooper, 1045 Avenue Road, Toronto, Consulting Geologist  Vice-Pres. & Director Arthur J. Milner, 11 Castlefrank Dr. Toronto, Investment Banker  Secy-Treasurer & Director C.H. Walker, Q.C., 10 Dale Avenue, Toronto 5. Solicitor  Director Robert E. Liptrott, c/o Bongard & Co., 25 Adelaide Street West, Toronto, Analyst.  Director Homer D. Wilkins, 213 Rosedale Heights Dr. Toronto 7. Solicitor.  Director D.M. Doherty, 335 Bay Street, Toronto, Stock Broker.  Director Donald G. Webster, 11 Adelaide Street West, Toronto, Executive
4. Share capitalization showing authorized and issued and outstanding capital.	5,000,000. common shares. Par value \$1.00 of which 3,660,010 are issued and outstanding.
5. Particulars in respect of any bonds, debentures, notes, mortgages, charges, liens or hypothecations outstanding.	Nil
6. Details of any treasury shares or other securities now the subject of any underwriting, sale or option agreement or of any proposed underwriting, sale or option agreement.	Nil



7. Names and addresses of persons having any interest, direct or indirect in underwritten or optioned shares or other securities or assignments, present or proposed, and, if any assignment is contemplated, particulars thereof.	Not applicable
8. Any payments in cash or securities of the company made or to be made to a promoter or finder in connection with a proposed underwriting or property acquisition.	Not applicable
9. Brief statement of company's future development plans, including proposed expenditure of proceeds of sale of treasury shares, if any.	Not applicable
10. Brief statement of company's chief development work during past year.	The Company did not carry out development work during the past year.
11. Names and addresses of vendors of any property or other assets intended to be purchased by the company showing the consideration to be paid.	Not applicable
12. Names and addresses of persons who have received or will receive a greater than 5% interest in the shares or other consideration to be received by the vendor. If the vendor is a limited company, the names and addresses of persons having a greater than 5% interest in the vendor company.	Not applicable
13. Number of shares held in escrow or in pool and a brief statement of the terms of escrow or the pooling agreement.	Nil
14. Names and addresses of owners of more than a 5% interest in escrowed shares and their shareholdings (If shares are registered in the names of nominees or in street names, give names of beneficial owners, if possible.)	Nil
15. Names, addresses and shareholdings of five largest registered shareholders and if shareholdings are pooled or escrowed, so stating. If shares are registered in names of nominees or in street names, give names of beneficial owners, if possible, and if names are not those of beneficial owners, so state.	<p>Milner Spence &amp; Co. Limited, 112 King Street West, Toronto 1, Ontario. 560,544</p> <p>Bongard &amp; Co., 25 Adelaide Street West, Toronto 1, Ontario. 401,496</p> <p>Park &amp; Co., 47 Threadneedle Street, London, E.C. 2, England. 330,200</p> <p>Eugene Constantin Jr., 2807 Mercantile Bank Building, Dallas, Texas, U.S.A. 280,000</p> <p>Doherty Roadhouse &amp; McCuaig Bros. 335 Bay Street, Toronto 1, Ontario. 212,195</p> <p>The Company is not aware of the beneficial ownership of shares shown above.</p>



# FINANCIAL STATEMENTS

## LONG POINT GAS & OIL LIMITED

(Incorporated under The Corporations Act of Ontario)

### BALANCE SHEET AS AT DECEMBER 31, 1963

(with comparative figures for 1962)

		LIABILITIES	
		1963	1962
ASSETS			
		1963	1962
CURRENT ASSETS			
Cash		\$ 8,253.79	3,017.92
Accounts receivable		7,117.47	13,243.26
Prepaid expense		800.00	875.00
Total current assets		16,171.26	17,136.18
INVESTMENT IN WHOLLY-OWNED SUBSIDIARY - Note 1			
Shares - at cost		1,006.00	1,006.00
Note and advances receivable		117,728.91	101,883.93
		118,734.91	102,889.93
PROPERTY AND EQUIPMENT - at cost			
Oil and gas leases and licenses - Note 2			
Producing gas leases less accumulated depletion of \$88,209.57 (\$36,384.24 in 1962)		113,328.58	164,869.87
Undeveloped oil and gas leases and licenses of occupation (1963 rental charges \$23,648.10)			
Productive gas wells less accumulated amortization of \$309,243.30 (\$181,258.16 in 1962)		407,890.96	384,526.90
Gas pipe lines less accumulated depreciation of \$46,681.43 (\$32,968.04 in 1962)		521,219.54	549,396.77
Machinery and equipment less accumulated depreciation of \$5,170.99 (\$2,862.52 in 1962)		504,659.87	632,645.01
Manager's residence and office furniture less accumulated depreciation of \$4,704.52 (\$4,095.98 in 1962)		61,930.43	75,643.82
Property leased for future gas storage		9,233.86	11,450.08
		15,328.77	15,945.91
		1,646.22	1,646.22
		1,114,018.69	1,286,727.81
		\$ 1,248,924.86	1,406,753.92
CURRENT LIABILITIES			
Bank loan (secured)		\$ 99,500.00	112,000.00
Accounts payable and accrued expenses		13,909.95	16,097.84
Total current liabilities		113,409.95	128,097.84
MORTGAGE PAYABLE - 5 1/4% interest, due May 6, 1974, monthly instalments of \$91.00 including principal, interest and taxes		5,954.20	6,373.48
SHAREHOLDERS' EQUITY			
Capital stock - Authorized - 5,000,000 shares par value \$1.00 each			
Issued and fully paid - 3,660,010 shares			
		Par Value	Discount
For property	\$ 850,000.00	765,000.00	85,000.00
For cash	2,810,010.00	1,401,000.00	1,409,010.00
	\$ 3,660,010.00	2,166,000.00	1,494,010.00
Deficit - as per statement (\$221,727.40 in 1962)		364,449.29	
		1,129,560.71	1,272,282.60
		\$ 1,248,924.86	1,406,753.92

Approved on behalf of the Board:

Director.

Director.



LONG POINT GAS & OIL LIMITED  
EXPLANATORY NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 1963

1. Since the operations of the wholly-owned subsidiary, Translake Drilling Limited, are of a different nature from those of this company, the accounts of the subsidiary have not been consolidated with those of Long Point Gas & Oil Limited.

The loss on operations of the subsidiary for the year ended December 31, 1963 amounted to \$24,194.02 and the accumulated surplus of the subsidiary, not included in the accounts of the parent company, amounted to \$77,498.50 as at December 31, 1963.

2. The company holds title to 34 exploration licences of occupation in the Counties of Norfolk, Haldimand and Welland in the Province of Ontario covering approximately 157,024 acres under Lake Erie, and 3 natural gas leases covering approximately 3,260 acres. The exploration and production rights to these properties were acquired for 850,000 shares of capital stock valued at 10¢ per share. In addition to the above cost, exploration and development costs in the amount of \$523,629.11 have been capitalized (including \$23,648.10 expended in 1963) bringing the total cost of the properties to \$608,629.11 of which \$201,538.15 represents the cost of the acreage converted to lease leaving \$407,090.96 as the cost attributable to the undeveloped acreage including carrying charges.

In addition to the above properties the company acquired the rights to oil and gas reserves on 360 acres of land adjoining the licences of occupation, for the sum of \$800.00.

The cost of the producing gas leases has been reduced by an accumulated depletion allowance in the amount of \$88,209.57. The provision for depletion and the provision for amortization of productive gas wells has been charged against revenue on a unit of production method based upon estimated reserves of natural gas. The depletion and amortization charges for 1963 are based upon the most recent estimates of natural gas reserves as determined in December 1963. These estimates represent a substantial reduction from previous estimates and accordingly the accumulated provisions for depletion and amortization of prior years have been adjusted to reflect the reduction.

LONG POINT GAS & OIL LIMITED  
STATEMENT OF PROFIT AND LOSS AND DEFICIT  
FOR THE YEAR ENDED DECEMBER 31, 1963  
 (with comparative figures for 1962)

	<u>1963</u>	<u>1962</u>
REVENUE		
Sale of natural gas	\$ 128,570.91	135,010.09
Less - Royalties	<u>10,400.64</u>	<u>10,664.10</u>
NET SALES	<u>118,170.27</u>	<u>124,345.99</u>
OPERATING EXPENSES		
District and field expenses	8,402.60	12,040.43
Lease operating expenses	24,106.21	18,585.74
Taxes and rentals	6,918.26	6,260.67
General and administrative expenses	<u>24,648.78</u>	<u>37,727.92</u>
	<u>64,075.85</u>	<u>74,614.76</u>
OPERATING PROFIT before depreciation, depletion and amortization	54,094.42	49,731.23
PROVISION FOR DEPRECIATION, DEPLETION AND AMORTIZATION	<u>84,336.81</u>	<u>71,164.00</u>
OPERATING PROFIT OR (LOSS)	( 30,242.39)	( 21,432.77)
OTHER CHARGES		
Cost of non-productive wells drilled during year	<u>                    </u>	<u>55,113.59</u>
LOSS FOR YEAR	30,242.39	76,546.36
Adjustment of prior year's depreciation, depletion and amortization (Note 2)	112,479.50	
DEFICIT, JANUARY 1	<u>221,727.40</u>	<u>145,181.04</u>
DEFICIT, DECEMBER 31	<u>\$ 364,449.29</u>	<u>221,727.40</u>



LONG POINT GAS & OIL LIMITED  
SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 1963

SOURCE

Profit before deducting non-cash charges for depreciation, depletion and amortization of \$84,336.81	\$ 54,094.42
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APPLICATION

Payment of rental fees on undeveloped leases and licences of occupation	\$ 23,648.10	
Increase in advances to wholly-owned subsidiary	15,844.98	
Payments of mortgage principal	419.28	
Purchase of equipment (net)	459.09	40,371.45

IMPROVEMENT IN WORKING CAPITAL POSITION

Reflected by a		
Decrease in current liabilities	14,687.89	
Decrease in current assets	964.92	\$ 13,722.97

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

HALIFAX  
 QUEBEC  
 MONTREAL  
 OTTAWA  
 HAMILTON  
 LONDON  
 WINNIPEG  
 REGINA  
 CALGARY  
 EDMONTON  
 VANCOUVER

48 YONGE STREET  
 TORONTO 1, ONTARIO

To the Shareholders  
 Long Point Gas & Oil Limited

We have examined the balance sheet of Long Point Gas & Oil Limited as at December 31, 1963 and the statement of profit and loss and deficit for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of profit and loss and deficit, together with the explanatory notes, present fairly the financial position of the company as at December 31, 1963 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Robert Stead Graham & Hutchison*

January 24, 1964



(Incorporated under The Corporations Act of Ontario)

(with comparative figures for 1962)

ASSETS		LIABILITIES	
	1963	1963	1962
<b>CURRENT ASSETS</b>			
Cash	\$ 851.25	\$ 1,464.36	6,914.66
Accounts receivable	1,682.87		600.00
Income taxes recoverable	573.66		
Inventory - at the lower of cost or market value	5,932.56	1,464.36	7,514.66
Prepaid expenses	2,949.63		
Total current assets	11,989.97	117,728.91	101,883.93
<b>FIXED ASSETS</b>			
Drilling towers at cost less accumulated depreciation of \$123,700.49 (\$113,559.03 in 1962)	171,020.06		
Drilling equipment at cost less accumulated depreciation of \$4,800.10 (\$3,947.43 in 1962)	3,410.69	1,006.00	1,006.00
Boats at cost less accumulated depreciation of \$12,572.70 (\$13,596.78 in 1962)	10,028.10	77,498.50	103,992.00
Truck and automobile at cost less accumulated depreciation of \$4,597.59 (\$4,062.29 in 1962)	1,248.95		
	185,707.80		
		\$ 197,697.77	214,396.59

NOTE 1:

Demand floating charge debentures in the amount of \$150,000.00 were issued by the company as collateral security for its guarantee of the bank indebtedness of the parent company.

NOTE 2:

In prior years, the company has reduced income taxes that would ordinarily have been charged against income by claiming, for tax purposes, capital cost allowances in excess of the depreciation recorded in the accounts in an accumulated amount of approximately \$109,000.00. This difference may be applicable to future periods in the event amounts that can be claimed for tax purposes are less than the depreciation recorded in the accounts.

Approved on behalf of the Board:

Director.

Director.



TRANSLAKE DRILLING LIMITED

STATEMENT OF PROFIT AND LOSS AND SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 1963

(with comparative figures for 1962)

	<u>1963</u>	<u>1962</u>
DRILLING REVENUE	\$ 23,916.24	134,279.48
OPERATING EXPENSES		
Drilling and well expenses	13,502.11	40,237.51
Marine expenses	6,485.28	12,628.71
Diving expenses	194.66	4,578.19
District and field expenses	7,782.24	9,603.64
Idle time expenses	7,077.70	18,149.03
General and administrative expenses	9,647.50	10,800.30
	<u>44,689.49</u>	<u>95,997.38</u>
Less -		
Equipment and tug rentals	1,892.50	4,009.00
	<u>42,796.99</u>	<u>91,988.38</u>
OPERATING PROFIT OR (LOSS) before depreciation	( 18,880.75)	42,291.10
PROVISION FOR DEPRECIATION	8,798.11	19,540.18
OPERATING PROFIT OR (LOSS) FOR YEAR	( 27,678.86)	22,750.92
ADD		
Profit or (loss) on disposal of obsolete equipment	3,484.84	( 786.92)
NET PROFIT OR (LOSS) before income taxes	( 24,194.02)	21,964.00
PROVISION FOR INCOME TAXES (Note 2)	-	600.00
NET PROFIT OR (LOSS) FOR THE YEAR	( 24,194.02)	21,364.00
SURPLUS JANUARY 1	103,992.00	82,628.00
	79,797.98	103,992.00
Adjustment of prior year's income taxes	2,299.48	-
SURPLUS DECEMBER 31	\$ 77,498.50	103,992.00

RIDDELL, STEAD, GRAHAM & HUTCHISON

CHARTERED ACCOUNTANTS

HALIFAX  
QUEBEC  
MONTREAL  
OTTAWA  
HAMILTON  
LONDON  
WINNIPEG  
REGINA  
CALGARY  
EDMONTON  
VANCOUVER

48 YONGE STREET

TORONTO 1, ONTARIO

To The Shareholders  
Translake Drilling Limited

We have examined the balance sheet of Translake Drilling Limited as at December 31, 1963 and the statement of profit and loss and surplus for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and statement of profit and loss and surplus present fairly the financial position of the company as at December 31, 1963 and the results of its operations for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

*Ridell Stead Graham & Hutchison*

January 24, 1964



## EVALUATION REPORT

Note - The following are excerpts from a report by DeGolyer and MacNaughton, dated December 19th, 1963, on the gas reserves located in the Long Point and Port Dover Fields of Southern Ontario. A complete copy of this report is on file at the Toronto Stock Exchange.

DeGOLYER AND MACNAUGHTON

### SUMMARY and CONCLUSIONS

This report is an appraisal, as of January 1, 1964, of the extent and value of the Company's producing gas reserves in two fields of Southern Ontario. Following is a tabulation of the pertinent factors and estimates relating to the reserves.

<u>Field</u>	<u>Productive Area (Acres)</u>	<u>Number Producing Wells</u>	<u>Ultimate Recovery (MMcf)</u>	<u>Estimated Cumulative Production (MMcf)</u>	<u>Reserves (MMcf)</u>
Mohawk Point	3,700	17	3,400	1,514	1,886
Port Dover	<u>700</u>	<u>4</u>	<u>880</u>	<u>362</u>	<u>518</u>
Totals	4,400	21	4,280	1,876	2,404

These estimated reserves are developed by existing wells and are considered to be net to the interests owned by the Company as it owns 100 percent of the leasehold interests, subject only to royalty payments which are based on the price and not the quantity of gas produced.

The future gross revenue generated from the production and sale of these reserves is estimated to be \$822,333 after deductions for royalty payments only. Reducing this by the estimated future direct operating costs of \$445,000, results in an estimated future net revenue to the Company of \$377,333. The present worth of this future net revenue is calculated to be \$316,554, discounted at the arbitrary rate of 6 percent per year, compounded monthly.

In our opinion, the fair market value of these producing reserves is \$250,000 before considering the cost of abandonment operations and the value of the salvable lease and well equipment.

The attached tabulation shows in detail the estimated annual rates of future production and revenues and the calculated present worth of the net revenue. All values expressed in this report are in terms of Canadian currency.

Submitted,

*DeGolyer and MacNaughton*  
DeGOLYER and MacNAUGHTON

SIGNED: December 19, 1963



# PROJECTION of ESTIMATED PRODUCTION and REVENUE

from  
PRODUCING GAS RESERVES  
owned by  
LONG POINT GAS & OIL LIMITED  
in the

MOHAWK POINT and PORT DOVER FIELDS of SOUTHERN ONTARIO  
as of  
JANUARY 1, 1964

Period	MOHAWK POINT			PORT DOVER			Total Future Gross Revenue	Direct Operating Costs	FUTURE NET REVENUE		PRESENT WORTH of FUTURE NET REVENUE		
	Production		Future Gross Revenue	Production		Future Gross Revenue			Annual	Cumulative	Annual	Cumulative	
	Annual (MMcf)	Cumulative (MMcf)		Annual (MMcf)	Cumulative (MMcf)								
1964	300	300	\$ 102,000	60	60	\$ 20,976	\$ 122,976	\$ 46,000	\$ 76,976	\$ 76,976	\$ 74,707	\$ 74,707	
1965	282	582	95,880	60	120	20,976	116,856	46,000	70,856	147,832	64,772	139,479	
1966	258	840	87,720	60	180	20,976	108,696	50,000	58,696	206,528	50,539	190,018	
1967	228	1,068	77,520	60	240	20,976	98,496	46,000	52,496	259,024	42,575	232,593	
1968	204	1,272	69,360	60	300	20,976	90,336	46,000	44,336	303,360	33,868	266,461	
1969	168	1,440	57,120	54	354	18,878	75,998	46,000	29,998	333,358	21,584	288,045	
1970	150	1,590	51,000	48	402	16,781	67,781	46,000	21,781	355,139	14,761	302,806	
1971	132	1,722	44,880	42	444	14,683	59,563	46,000	13,563	368,702	8,658	311,464	
1972	115	1,837	39,100	36	480	12,586	51,686	46,000	5,686	374,388	3,419	314,883	
1973	49	1,886	16,660	28	508	9,789	26,449	24,000	2,449	376,837	1,401	316,284	
1974				10	518	3,496	3,496	3,000	496	377,333	270	316,554	
TOTALS	1,886		\$ 641,240	518		\$ 181,093	\$ 822,333	\$ 445,000	\$ 377,333		\$ 316,554		

NOTE: Mohawk Point and Port Dover volumes expressed at a pressure base of 14.65 psia and 15.7 psia, respectively. Future gross revenue is calculated at the contract gas price, after provincial royalty, of \$0.34 and \$0.3496 per Mcf, respectively, for the Mohawk Point and Port Dover fields. Direct operating costs include production and municipal taxes, lease rentals, and an allowance for a field compressor installation in Port Dover in 1966. Present worth is computed by discounting net revenue at the arbitrary rate of 6 percent per year compounded monthly.



16. Names, and addresses of persons whose shareholdings are large enough to materially affect control of the company.	No person has shareholdings sufficient to affect the control of the Company. The present Directors if able to obtain Proxies from the larger shareholders are in a position to materially effect control.
17. If assets include investments in the shares or other securities of other companies, give an itemized statement thereof showing cost or book value and present market value.	10,000 shares of Translake Drilling Limited, a wholly owned subsidiary of the Company. At cost \$1,006.00.
18. Brief statement of any lawsuits pending or in process against company or its properties.	Nil
19. The dates of and parties to and the general nature of every material contract entered into by the company which is still in effect and is not disclosed in the foregoing.	a) By an agreement in writing dated the 26th day of February, 1964, the Company agreed to sell and Consolidated West Petroleum Limited agreed to buy the undertaking property and assets and assume all the liabilities of the Company in consideration of the issue and allotment of 208,915 shares of the capital stock of Consolidated West Petroleum Limited to the Company. Following the completion of the said purchase and sale the Company agrees to distribute its assets amongst its shareholders and to surrender its Charter. In the result, shareholders of the Company will receive one share of Consolidated West Petroleum Limited for 17½ shares of the capital stock of the Company. The said agreement is subject to confirmation by the shareholders of the Company at a special general meeting to be called for that purpose on or before the 15th day of April, 1964. b) By an agreement in writing between Union Gas Company of Canada Limited and the Company as of September 1, 1960, the Company agreed to sell and deliver to Union Gas Company of Canada Limited the gas production from its leases in Lake Erie and Union Gas Company of Canada Limited agreed to purchase such gas upon the terms and conditions set out in the said agreement.
20. Statement of any other material facts and if none, so state. Also state whether any shares of the company are in the course of primary distribution to the public.	There are no other material facts. No shares of the Company are in the course of primary distribution to the public.

# CERTIFICATE OF THE COMPANY

DATED March 5, 1964

The foregoing, together with the financial information and other reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above and in respect of the company's affairs and there is no further material information applicable. (To be signed by two principal signing officers who are directors and the corporate seal to be affixed.)

LONG POINT GAS & OIL LIMITED

"M.A. Cooper"

CORPORATE  
SEAL

"C.H. Walker"

CERTIFICATE OF UNDERWRITER OR OPTIONEE

To the best of my knowledge, information and belief, the foregoing, together with the financial information and the reports where required, constitutes full, true and plain disclosure of all material facts in respect of the matters referred to in Item 1 above in respect of the company's affairs. Concerning matters which are not within my knowledge, I have relied upon the accuracy and adequacy of the information supplied to me by the company. (To be signed by underwriter or optionee registered with the Ontario Securities Commission or a corresponding body.)